

RECEIVED

~~DO NOT CIRCULATE~~ CENTRAL INTELLIGENCE AGENCY

**SECRET**

--	--

25X1

--

CD NO.

DATE DISTR. 18 Dec. 1952

NO. OF PAGES 14

--	--

25X1

NO. OF ENCLS. 1  
(LISTED BELOW)

25X1

SUPPLEMENT TO  
REPORT NO. 25X1

THIS DOCUMENT CONTAINS INFORMATION AFFECTING THE NATIONAL DEFENSE OF THE UNITED STATES, WITHIN THE MEANING OF TITLE 18, SECTIONS 793 AND 794, OF THE U.S. CODE, AS AMENDED. ITS TRANSMISSION OR REVELATION OF ITS CONTENTS TO OR RECEIPT BY AN UNAUTHORIZED PERSON IS PROHIBITED BY LAW. THE REPRODUCTION OF THIS FORM IS PROHIBITED.

25X1

THIS IS UNEVALUATED INFORMATION

25X1

CONTACT WITH SOVIET SOCIETY.....2

MANAGEMENT OF PLANT NO 1.....2

Managerial Personnel.....2  
Planning.....2

Planning.....	2
Employment Restrictions.....	4

Employment Restrictions.....	4
Efficiency and Training of Soviet Labor.....	5

Efficiency and Training of Soviet Labor Force.....	5
Labor Discipline and Incentives.....	6

Labor Discipline and Incentives.....6

General Comments on Soviet Industrial Efficiency.....8

GENERAL ECONOMIC CONDITIONS.....10

Economic Gains since 1946.....	10
Consumers' Goods Prices in January 1950.....	10

Economic gains since 1940.....	10
Consumers' Goods Prices in January 1952.....	10
Attitudes on Living Conditions.....	10

Attitudes on Living Conditions.....	11
-------------------------------------	----

POLITICAL CONDITIONS AND ATTITUDES.....12

Attitudes toward the Regime.....12  
Some Attitudes Concerning the West.....12

Attitudes toward the Regime.....12  
Some Attitudes Concerning the West.....12  
State Loan Drives.....13

State Loan Drives.....13  
Foreign Broadcasts.....13  
CLASSIFICATION.....14

Foreign Broadcasts ..... 13  
CLASSIFICATION ..... 14  
SECRET

**SECRET**

SECRET

STATE	Ev	x	NAVY	x	NSRB		DISTRIBUTION							
ARMY		x	AIR	x	FBI									

25X1

SECRET

-2-

CONTACT WITH SOVIET SOCIETY

1. [redacted] Although not officially stated, it was clear that Soviet citizens were forbidden to carry on any social intercourse [redacted] Soviets seldom accepted invitations from Germans to visit them in their homes. Only in one case [redacted] able to strike up a friendship with a Soviet. During the last three months [redacted] in the USSR, [redacted] exchanged visits with a Soviet engineer employed at Plant No 1. The Soviet, on questioning, admitted that such practices could prove dangerous for him but he continued his visits nevertheless. [redacted] not believe that this man was an MGB agent. Although MGB agents generally avoided discussing politics, this man on several occasions indicated his disapproval of the regime.
2. Prior to the summer of 1947, [redacted] able to visit freely Kimry and other neighboring towns. Such trips were made without the company of a Soviet guard. A special office in the plant which handled [redacted] complaints and requests provided guards [redacted] on shopping trips to Moscow and on official field trips. At this time, [redacted] also provided with an official identification document for foreigners (Auslaenderpass) which facilitated private travel. However, after the summer of 1947, [redacted] required to travel under guard even when going to Kimry. [redacted] also required to turn in [redacted] identification documents "for renewal", and these were never returned. This imposed another hindrance to private travel. And so, despite the subsequent establishment of the German Democratic Republic and the professed claims of Soviet-German friendship, [redacted] isolated even more than before from Soviet society. [redacted] Other than normal contacts in Soviet shops and stores, the only Soviets [redacted] were the numerous peddlers who canvassed the German housing development in Podberezh.

3.

MANAGEMENT OF PLANT No 1  
Managerial Personnel

4. [redacted]  
[redacted] No less than five Soviet officials occupied the position of manager of Plant No 1 during my period of employment there: Abramov (October 1946 to July 1947), Rebenko (July 1947 to spring of 1950), Smirnov (spring of 1950 to the fall of 1950), Lysitsyn (fall of 1950 to May 1951), and Belilovskiy (July 1951 to January 1952).

5. As a group, only a small minority of the Soviet engineers and technicians at Plant No 1 were capable, well-rounded engineers. The average Soviet engineer was well trained, but only in a very narrow field of specialization. He was generally incapable of solving problems which lay outside his specialized area. As a result, Soviet technicians employed in the laboratories and design offices were seldom able to solve alone unexpected technical problems which confronted them, but had to turn to German technicians for assistance.

SECRET

SECRET  
-3-

6. This over-specialization was perhaps the greatest shortcoming of the Soviet engineers at Plant No 1. Another shortcoming was their lack of initiative. They possessed considerable drive and initiative when occupying leading managerial or party positions. Otherwise, they were not conscientious in carrying out assignments. A Soviet technician confronted with an unexpected technical problem was very likely either to give up the job entirely or to push it off on a German technician. Soviet engineers and technicians also lacked a certain flexibility in coping with unexpected problems. Once committed to a given approach, they seldom changed their plans, even when it was clear that such an approach would prove to be unsuccessful. Perhaps the main positive technical quality of Soviet technicians is their ability to carry out a plan (although often they failed to carry a plan to final completion) despite numerous obstacles which lay in their path--above all, the "insane demands" imposed on them by production schedules.
7. The workers seemed to take for granted the privileges bestowed upon the management. For example, ranking officials seldom waited in line with common workers when purchasing butter, flour, or other scarce commodities at food stores. They usually "pulled their rank" and barged up to the head of these queues. The workers never complained about this behavior. The Soviet industrial elite also apparently took their privileged position for granted. Once at Ramenskoye in 1947 the German technicians refused to comply with an order by their Soviet supervisor to work extra hours in order to complete a given task, demanding that they either receive better food or be allowed to work fewer hours. There was a food shortage at that time and the Germans were already pulling in their belts. To break the impasse, the Soviet air colonel who was in charge of operations there invited several of the leading German technicians to eat with him in the dining room reserved for top Soviet personnel. The food and appointments there were lavish in comparison with the conditions at the canteen where the German technicians and Soviet workers had their meals. When they had completed this feast, the Soviet colonel asked the German technicians if they were satisfied, implying that their demands had been met. The Germans replied that they themselves were satisfied but that all workers should get the same food. They stated that the average worker would also have to be fed properly if the colonel expected to get work out of him. The colonel thereupon replied, "That is entirely the wrong point of view. It is the case in the Soviet Union that engineers, army officers, and other persons who have attained leading positions through their efforts are entitled to better food, pay, and housing. Workers have no right to such treatment."

25X1

8.

SECRET

SECRET

-4-

- 25X1 9. Other Soviet engineers were not so fortunate. A Soviet engineer employed at Plant No 1 once explained [ ] how important it was for a Soviet designer to have a new project approved by the Ministry or for an engineer to meet his production plan. It was important that aircraft developed by a designer prove to be successful. Failures were not tolerated. The Soviet engineer stated that all leading Soviet aircraft designers had at one time or another been imprisoned for "economic sabotage" because of the failure of one of their new aircraft. The Soviet specifically mentioned that Yakovlev and Tupolev had been imprisoned on such charges. He mentioned another well-known Soviet designer who refused to return to designing work after he had been imprisoned for a previous failure. His tactics were not successful. Government officials informed the designer either to return to his designing work or return to jail. He chose the former alternative.

### Planning

- 25X1 10. [ ]
11. All operations of the hydraulic laboratory which concerned planning procedures were characterized by deceit. The laboratory was successful not only in falsely reporting fulfillment of production plans but also in assigning production quotas to the individual workers in such a way as to guarantee their fulfillment. These fraudulent practices, evidently characteristic of other laboratories and production shops in Plant No 1, were carried out by Soviet and German employees alike. The director of the hydraulic laboratory received each month a production plan for his unit from a planning office within the plant. It was then his task to draw up the individual production quotas for each worker within his laboratory. Working together with a German technician who was a brigade leader in the laboratory, the director first calculated the total number of man-hours which would be available during the coming month. He then adjusted this figure approximately 30 % downward, applied the adjusted figure to the tasks assigned to the laboratory, and arrived at production quotas for each individual worker. As a result, each technician was assigned a norm which he could over-fulfill by about 30 % if he merely worked the normal number of hours expected of him. It was almost impossible for a worker to fail to fulfill his production quota for a given month.
12. The hydraulic laboratory never failed to meet its monthly production plan. Like other sections in the plant, it padded its production figures. For example, a commission from the Ministry of Aviation carried out monthly inspections in the plant in order to award bonuses for outstanding production efforts. When this commission appeared, the laboratory put forth work as finished which in reality was incomplete, or removed from sight any unfinished products which it was working on. As a result, the inspection commission as well as the plant management received the impression that production had proceeded further than was the case.
13. All these deceptions were, of course, but a temporary solution, as each laboratory and shop would eventually be called upon to account for its long-range production assignments. This, however, did not seem to bother the Soviets very much. The section chiefs and technicians were confident that new schedules would have to be established which would cover up for past mistakes or deceptions.

SECRET

SECRET

-5-

14. Competition for bonuses and extra pay was evidently at the root of this state of affairs. A section in competition with other sections for bonuses, or a worker in competition with other workers for extra pay, would evidently stop at nothing to achieve these goals. This found expression not only in falsified production reports but also in other occasional "cut-throat" practices. For example, it was a common practice among many production shops and laboratories to hold back somewhat on production efforts until the last few days of the month. A production unit would then step up its production efforts and on the last day of the month dump its finished products in the lap of the next section which was to process them. This allowed a given production section to report that it had no unfinished business on hand at the end of a production month.
15. A second cause of these deceptive practices was the ardent desire of Soviet technicians and workers to stay out of trouble. Success or apparent success in fulfilling production quotas was one way of avoiding difficulties with plant authorities. And, thirdly, production schedules called for by an original production plan were generally impossible to meet. Unit chiefs were forced to resort to padded figures in order to give the appearance of maintaining the called-for tempo of production.
16. This system of planned production did achieve results despite the deceptions and inefficiencies which it also caused. For example, the EF-140 aircraft was completed in a shorter time at Plant No 1 than would have been the case in a German plant. [redacted] This was due to the fact that production schedules, though unrealistically short and seldom fulfilled, forced the technicians and workers to production efforts which would not normally be expected in a German plant under peacetime conditions. Although the system of planned production was not successful in handling many technical problems involved in development work, it did get the working hours out of the employees at Plant No 1.

#### Employment Restrictions

17. It was apparent that the Soviet employees of Plant No 1 had been sent there on order of a governmental agency, presumably the Ministry of Aviation. [redacted] many Soviet employees [redacted] had been sent to the plant on government orders, particularly during the latter period of my employment there, when many Germans were being repatriated. Some of these workers--they had been sent to Plant No 1 from Moscow--complained to me about their unsatisfactory housing situation brought about as a result of this forced move. Many of these workers had had no previous experience in aviation production. This was a source of dissatisfaction to them, as they were unable to meet the requirements of their work assignments.
18. Here is an example which, although not related to conditions at Plant No 1, illustrates the reactions of some Soviet citizens to restrictions on employment mobility. [redacted] one day [redacted] a Soviet soldier, recently demobilized, reported into the office for employment. Officials of the employment office informed the demobilized soldier that he was to report to work on a farm which was under the control of Plant No 1. The soldier became enraged on hearing this and refused to take the assignment. The soldier said that he had just returned from military service abroad. He knew that there workers could apply for any job and could quit a job whenever they wanted to. The employment office officials were so startled at this outburst that they gave in to his wishes and assigned him another job.

SECRET

SECRET

-6-

Efficiency and Training of Soviet Labor Force

19. There were no Soviet foremen employed in the hydraulic laboratory. However, [redacted] the average Soviet foreman in Plant No 1 was very poorly trained. These Germans were of the opinion that a Soviet foreman seldom had the technical capabilities and training of an average German skilled worker. Moreover, a great many positions at Plant No 1 which called for workers skilled in aviation production techniques were filled by unskilled workers or workers who had had no experience in the aviation industry. However, conditions at Plant No 1 were perhaps not typical for Soviet industry as a whole. [redacted] contact with Soviet technicians and skilled workers from other plants or institutes who compared favorably with their German counterparts.
20. Apprentices constituted a third major group of Soviet employees at Plant No 1. They began their training generally at 14 years of age. This included approximately three months of on-the-job training and evening courses which were conducted at the plant. Upon completion of this training, these young workers were assigned to the lowest employment categories. The training was totally inadequate; it was impossible to use these young people in the laboratory.

Labor Discipline and Incentives

21. Strict disciplinary measures meted out for absenteeism and tardiness kept such infractions under control. German employees who were tardy by less than 20 minutes were fined 25 % of their wages for a period of three months. If a person was more than 20 minutes late for work without cause, the case was brought before a court. [redacted]
22. Workers were required to pay for faulty production or for wasted material for which they were responsible. In the event that a worker ruined a part which he was working on, he was required not only to pay for the material contained in the part but also for the man-hours which previously had been expended on it. Thus, a worker had to reimburse the plant for total cost of wasted production. The exact amount of such a fine was established by the section chief according to cost accounting principles. Here is a case illustrating this practice. A Soviet machinist who had been assigned a difficult task made an error in milling a costly part. He was about to throw it out when he was stopped by a fellow German worker. The German machinist saw that the part could perhaps be salvaged and set about attempting to do so. However, this attempt was unsuccessful. The German was held accountable and had to pay some enormous sum for the costly aircraft part.
23. This regulation had very negative results, quite the opposite of those desired. Every worker was extremely cautious in his work and attempted to avoid any responsibility for handling expensive machinery or parts. Soviet workers often flatly rejected assignments which involved difficult tasks with expensive material or machinery. These assignments were then turned over to German employees.
24. Positive labor controls and incentives--such as "socialist competitions", "socialist obligations", bonuses and wage premiums--were also applied at Plant No 1 in an effort to improve the tempo and quality of production. Most common were the socialist competitions which were concluded between brigades or production sections in Plant No 1. Either the plant's party committee or the trade union committee (zavkom)

SECRET

SECRET

-7-

25X1

was the initiator of these competitions [redacted]

25X1 [redacted] The committee called a meeting of the production section involved and put the terms of the competition to the vote of the workers. These pledges were always unanimously accepted without objections from the workers. Such decisions aroused no enthusiasm on the part of the Soviet workers. Their usual reaction was, "the same old stuff". They went through the motions much like obedient servants. Once, after the Hydraulic laboratory had concluded an agreement for socialist competition, the German director of the laboratory told me, "Don't worry about this matter. It doesn't mean anything. It will be impossible for us to fulfill our obligation, but we won't be held responsible. Some other section will fall down on the job first." Such cynicism was the usual reaction. In most cases socialist competitions remained only on paper. They were not taken seriously by the workers and technicians and results pertaining to the fulfillment of obligations undertaken in competition were generally falsified.

25. [redacted] socialist competitions in most cases had little success in achieving their purpose of increasing the tempo and improving the quality of production. Only when monetary gain was involved did they have any effect. When mere prestige considerations were involved in socialist competitions--and this included the majority of competitions--the workers made little effort to improve their work. However, section chiefs had a vested interest in the successful conclusion of the socialist competitions, as they would then be eligible for a bonus.
26. The management of Plant No 1 attempted to spur workers and engineers on to greater and better production efforts by singling out individuals for special acclaim. Each month, individual workers and engineers who had presumably carried out some excellent work during the preceding period or who were members of sections which had distinguished themselves were named to the plant's honor roll (doska pocheta). Most German technicians and workers laughed at these and other methods of acclaim, which they considered to be naive. In fact, they did their best to keep from having their pictures hoisted to the monthly honor roll. It was feared that, if they were singled out too often for such acclaim, they would have greater difficulty in being repatriated to Germany.
27. The Soviet workers, on the contrary, were favorably impressed with such honors and honorifics and evidently considered it quite an achievement to be named to the plant's monthly honor roll. [redacted] material considerations were the explanation for this favorable attitude rather than any particular pride in doing a good job or in fulfilling a worker's duty to the state. For one thing, such repeated recognition meant more money in the final analysis, as this was a means of obtaining a better position. Secondly, it probably was considered as a means of staying on the right side of state control authorities, as a kind of "reinsurance" (Rueckversicherung). A man honored by the plant, party and state as an outstanding worker is less likely to be considered an unreliable citizen by party and state control authorities. Such recognition probably provided the workers with a means of alleviating the all-prevailing sense of insecurity which resulted from secret police and party supervision.
28. Plant No 1 also used wage premiums for workers and bonuses for managerial technical personnel as production incentives. Basic wages for workers were established according to set wage classi-

SECRET

SECRET  
-8-

fications (naryady). Workers engaged in piece work were paid wage premiums when they fulfilled their norms by more than 100 %. However, in such a development plant like Plant No 1, most workers were not engaged in piece work. To determine whether or not a worker had fulfilled his production norm often required more or less arbitrary decisions. At the end of each month, a section chief would go over his list of workers and decide that worker "A" had performed satisfactorily during the preceding pay period and had fulfilled his norm by 100 %. Or perhaps he decided that worker "B" had done very well and reported this worker as having fulfilled his norm by 150 %.

29. Theoretically speaking, all managerial and technical personnel in plant No 1 who were paid salaries were eligible for bonuses. In fact, [ ] a Soviet Air Force colonel [ ] in the Soviet Union salaries for managerial and technical personnel were of secondary importance. This man claimed that the bulk of the income of salaried personnel consisted of bonuses awarded for superior performances. In reality, bonuses were awarded primarily to the chiefs of those sections which fulfilled or over-fulfilled production plans and to individual technicians and engineers who occupied positions which were readily favored with bonuses. The only exception to this was in the summer of 1951 when the Ministry of Aviation was particularly interested in holding to the production schedule of the EF-150 aircraft. At that time, bonuses were distributed to all engineers and technicians of plant units which fulfilled or over-fulfilled their production quotas. This system of bonuses and wage premiums, unlike socialist competitions, was quite successful in improving the quality of work and stepping up production. The average Soviet technician or worker received so little money that any means of acquiring additional income was a decided incentive to him for additional work.

#### General Comments on Soviet Industrial Efficiency

30. In comparing Plant No 1 with a comparable German aircraft development plant, the tempo of production at the Soviet plant was at least as fast as at a German plant during wartime. The EF-150 aircraft was produced at Plant No 1 in perhaps one-half the time that would have been required under peacetime conditions in a comparable German factory.
31. It is difficult to make general comparisons about the quality of production at Plant No 1 and in German plants. Similarly, it is hard to make any generalizations on the relative efficiency of Soviet and German aircraft production. However, the Soviets were skilled in improvising with simple, often crude equipment. Often when German technicians would say that they could not carry out an assignment because the necessary equipment was not on hand, the Soviets answered that it had to be done and that they must improvise a solution, tools or no tools. For example, there was no hangar available at the Tëplyy Stantesting field to house a plane which was being checked prior to a test flight. This proved no hindrance to the Soviets. They worked on the plane out-of-doors, even in the middle of winter. Such a procedure would be unheard of in Germany.
32. [ ] now mention those factors [ ] contributed most to Soviet industrial efficiency or inefficiency. In regard to the positive aspects, there was the absolute discipline which the Soviet regime exerted over the mass of workers and technicians. State authorities through their power were able to force workers to continue working until a given assignment was fulfilled, even though the individual worker may have had no desire to do so. The Soviet worker was in a sense a serf under the strict control of the state. In the West the average worker, being free, would simply not work every day if he did not want to, or would not work overtime unless particular incentives were present.

SECRET



SECRET

-9-

33. Another factor contributing to Soviet industrial strength was the highly centralized control of the labor force. This enabled state authorities to dispose of labor forces in an efficient manner, enabling them to dispatch labor reserves where most needed.
34. A third factor in Soviet industrial strength was the willingness of managerial personnel to take risks in order to speed up production processes. At Plant No 1, Soviet engineers often eliminated certain testing stages which are generally considered necessary in the West for reasons of caution or prudence. Although this involved a certain amount of risk, it did enable them to move at a faster tempo. For example, Soviet test engineers at Telyy Stan tried out a new engine on a new frame (the EF-140), when conducting tests on this machine. Such a performance would be unheard of in Germany. There a new engine would first be tested on a frame which had proven its reliability before trying it on a new model.
35. A fourth strong point of Soviet industry was the ability of its engineers and technicians to improvise solutions to technical problems with crude equipment which normally would be considered inadequate for such purposes in Western countries.
36. The one factor which in my opinion contributed most to Soviet industrial inefficiency was the inferior training of Soviet engineers and skilled workers. The Soviet engineers were too highly specialized in their training and the training of skilled workers was inferior in all respects.
37. A second cause of inefficiency was the inability of the Soviets to appreciate the value of property. Despite disciplinary measures to the contrary, workers in Plant No 1 invariably and unnecessarily damaged expensive equipment and wasted materials. They apparently had no feeling of responsibility for state property. The only consideration in such matters was to be in a position "to pass the buck". Destruction or waste of property was of no concern as long as no one could be held accountable for such acts.
38. The fear of punishment for failing to perform a task correctly also contributed to production inefficiency. This hindered the initiative of the managerial and technical personnel, as has been described above. It also tended to lower the quality of work. With the Soviets it was often the case that the important thing was to get the job done, to fulfill a plan, but with no concern for the quality of work. To illustrate this point, [redacted] when all plant employees were ordered to work for several days on a farm administered by Plant No 1. There was a shortage of farm labor at that time and workers and engineers alike were dispatched to the fields. [redacted] a group of Soviets and Germans [redacted] had the task of weeding a cabbage field. After a half hour of work, it became apparent that the Soviet group was swiftly outdistancing the German technicians. The Germans painstakingly sorted out the cabbage plants from the weeds and removed the latter with a hoe. The Soviet employees came back and explained to the Germans how it was done. They said, "Just take your hoe, hack away, and walk straight ahead. It doesn't make any difference if any cabbages are left. The important thing is that we fulfill our quota." The Germans followed their instructions. When harvest time came around, not a cabbage plant was to be seen.

SECRET

SECRET  
-10-GENERAL ECONOMIC CONDITIONSEconomic Gains Since 1946

39. [ ] great improvement in the standard of living in  
25X1 Podberezhje from [ ] 1946 [ ]  
25X1 [ ] 1952. This held true both for the Soviet and German inhabit-  
25X1 ants of Podberezhje. Prior to the currency reform, the German  
25X1 technicians were granted favored treatment in the form of addi-  
tional food rations but even they suffered hardships in those  
years. Food was expensive and hard to get. Foodstuffs which  
theoretically were allotted to each ration card holder were  
seldom available, especially those cheap, nutritious foods which  
would be best for low-income families.
40. After the 1947 currency reform, there was a decided improvement  
in the availability of food although there were still difficulties  
in obtaining certain items due to seasonal shortages, absolute  
shortages, and maldistribution. Food prices decreased approximate-  
ly 30 % between 1947 and January 1952. Another indication that  
the currency reform had brought some relief to the Soviet in-  
habitants of Podberezhje was the fact that after 1947 they no  
longer rummaged for food in the garbage pails of the German  
technicians.
41. Clothing prices have increased since the currency reform. The  
years 1949-1950 marked the high-point for availability of cloth-  
ing items. The shops then were relatively well stocked with  
textile goods from Poland and Czechoslovakia. A decline in the  
availability of textile goods set in after 1950. The Soviet  
inhabitants of Podberezhje appeared better clothed after the 1947  
currency reform. This development appeared to be confined to  
Podberezhje, since there the German technicians sold much clothing  
25X1 to Soviet workers. [ ] no improvement in this respect in  
other villages (Ramenskoye, Těplyy Stan) where no German colony  
was located.

Consumer Goods Prices in January 1952

42. The German technicians at Plant No 1 were entirely dependent on  
25X1 the Soviet economy for food and clothing after the abolition of  
25X1 rationing in 1947. [ ] a list of  
consumer goods prices in Podberezhje based on [ ] purchases.  
With the exception of a few items purchased in 1951, the prices  
listed were current in January 1952. [Enclosure (A)].
43. The prices of goods sold in the free market were generally high-  
er than similar articles on sale in state stores. This situation  
was presumably brought about by the fact that many goods were  
sold only sporadically in state stores. The peasants were thus  
in a position to demand more than the prevailing state store  
prices. In other cases, free market food products were higher  
in quality and therefore more expensive than goods in state  
stores.
44. There were serious shortages of some essential food and clothing  
items in the fall and winter of 1951-52 despite the progress  
effected since the 1947 currency reform. Flour was sold only on  
major holidays and then each purchaser was limited to three  
kilograms. Some of the more nutritious, inexpensive foods such  
as rolled oats, millet, farina, and legumes were unavailable for  
weeks on end in state stores. Sugar was also extremely hard to  
obtain and pepper was nowhere available. There were also some  
strictly seasonal food shortages. There was a bread shortage  
every year in the summer before the grain harvest. The manage-

SECRET

SECRET

-11-

25X1 ment of the Podberezhsk state store always attributed these  
 25X1 shortages to local conditions ("the flood," "the bakery ovens  
 25X1 are out of order," et cetera). [redacted] these were  
 25X1 general shortages. [redacted] similar shortages at the  
 Ramenskoye and Teplyy Stan testing grounds. Butter, margarine,  
 and fat were practically unobtainable during the summer.

45. Felt boots were extremely scarce in the winter of 1951-52. The best workers and technicians at Plant No 1 were issued ration slips enabling them to buy felt boots at a state store. Others had to do without new felt boots as there were none available in the stores for direct sale. Other clothing and household items then on the "wanted list" included wool and woolen articles (not available), darning and crocheting yarn (seldom available), linen and linen articles (almost impossible to obtain), underwear (seldom available), cotton bandages (seldom available, usually only on prescription) and muslin (always sold out, as it was used for curtains).

#### Attitudes on Living Conditions

46. [redacted] in general, the average Soviet considered his living standard as perfectly normal (in comparison with conditions prevailing abroad). Their wants and expectations, shaped by life in the USSR and lack of contact with the outside world, were simple and were being met. [redacted] often told that all a person needs is bread, milk, vodka, and bacon or fat. In fact, it appeared that the great ambition of the typical Soviet was to have his own house and to own a cow. One Soviet worker explained that, if he had his own cow, house, and garden, he would not have to work anymore. He could live on his garden produce and the proceeds of milk sales in the free market. Milk was then selling in the free market at five rubles a liter.
47. The average Soviet seemed to feel that economic progress had been made under the Soviet regime and usually attributed this progress to the economic policies of the regime. For that matter, German technicians at Podberezhsk who had been in the USSR or Russia before also testified to the fact that economic progress had been achieved.
48. The Soviet workers in the plant generally greeted announcements of price cuts with enthusiasm. However, they spoke only about the reduction in prices for vodka. Nothing else seemed to interest them. Complaints about consumer goods were directed mainly against the high prices of textile goods. One seldom heard complaints about food prices. The periodic cuts in food prices effected since 1948 apparently have satisfied Soviet consumers.
49. In discussing living standards with Germans, the Soviets were mainly interested in comparing their standard of living with living conditions in Germany, a country which also had felt the ravages of war. The average worker was dimly aware of the higher living standards in the West, and some individuals were acutely conscious of the Soviet citizen's relative poverty. German technicians frequently asked their fellow Soviet workers why in so rich a land as the USSR the average worker had so little. The former said that the average worker should be better off economically than the average German worker because of wealthier natural resources, but that the inverse was obviously true. To this, Soviet respondents generally answered that (1) World War II was costly for the Soviet Union, (2) the Soviet Union is now responsible for feeding one-half of

SECRET

SECRET

-12-

the outside world, and (3) "things will be better." On the other hand, the obvious greater wealth of the Germans did not fail to impress the Soviets. The latter could not help but wonder why it was that a German, whose nation had also suffered from the war, had two suits while his Soviet counterpart had but one. This irritating fact was often dismissed by saying that the German property simply represented goods looted from other countries.

50. However, those Soviets who had been abroad, particularly in Germany, were all favorably impressed with the standard of living in the West. They spoke of their amazement of discovering in Germany that workers had their own apartments with bath; that workers owned bicycles, motorcycles, and other such consumer goods; that there were so many shops loaded with consumer goods at relatively low prices; and that Germans were so well dressed. These persons invariably blamed the Soviet regime for the sad state of affairs in their country. One or two spoke the name of Stalin with a gesture of slicing his throat.

#### POLITICAL CONDITIONS AND ATTITUDES

##### Attitudes Toward the Regime

51. Workers at Plant No 1 and inhabitants of villages near the Ramenskoye and Tëplyy Stan testing fields not infrequently expressed their hostility to the Soviet regime. This hostility seemed to increase in direct proportion to the age of the person. At least it was true that those who expressed such sentiments to me were mostly persons from 50 to 70 years of age. It is possible, that older people expressed such opinions more readily than others because they felt that they had less to lose by such behavior.
52. Most of the criticisms expressed damned Stalin but tended to idealize Lenin. For example, one worker observed in strong words to me that Hitler and Stalin were equally bad, but that one remained to be hanged. Another malcontent, a peasant, remarked that "Stalin promised us heaven on earth but what do we have?" and thereupon spat upon the ground. A third, a woman living in a village near a testing field, complained to me that the younger generation was no longer interested in church and blamed Stalin for this state of affairs. In the last two instances, the children of the respondents who were present when the criticisms were made severely took their parents to task for making such statements. Many such critics, as well as others who did not openly condemn Stalin, remarked that, if Lenin had stayed in power, everything would have been better. On the positive side, it appeared that the average youth under 20 and most persons between 20 and 30 years of age were avid supporters of the régime.
53. Soviet citizens when meeting the German technicians always appeared to feel themselves to be members of the inferior nation. (This was not so noticeable in Podberezh'e where the two nationalities worked side by side but was true in Tëplyy Stan, Ramenskoye, and Moscow.) They approached the Germans in a friendly but diffident manner. Because of this, the Soviets almost never expressed particular pride in any specific achievements of Soviet society. certain presumed achievements of the Soviet system--full employment, equal opportunities for women, non-discrimination of minority groups--are given far more positive consideration abroad than in the Soviet Union. However, it was noticeable, especially in audience reaction at movies, that the Soviets were very proud of their armed forces, particularly the air force.

SECRET

SECRET

-13-

Some Attitudes Concerning the West

54. It appeared that at least the younger Soviet generation believed that the United States is preparing for war, and that war is coming between the United States and the Soviet Union because the United States wants war. The average Soviet citizen did not seem to be hostile to the United States but on the other hand was not friendly. It was rather an attitude of wait and see, of awaiting some overture of friendship (not specified) from the United States.
55. [ ] a great interest among the Soviet employees of Plant No 1 in the exchange of letters between Attlee and Vyshinsky which was printed in the Soviet press in 1951. [ ] undoubtedly referring to Foreign Secretary Morrison's letter to the Soviet people which was printed in Pravda and Pravda's printed reply to the letter. Pravda sold out very quickly the day the letter (Morrison's) appeared, an indication of the interest in the contents of the letter, as if the public expected to learn something new. The letter aroused much discussion in Plant No 1. The Soviets frequently commented on the truthfulness of Morrison's statement concerning the lack of freedom to choose one's place of employment in the Soviet Union and the aptness of his words that, in the Soviet Union, a knock on the door at night immediately aroused fear of arrest by the MVD. A young 20-year-old Soviet worker in the hydraulic laboratory told me that all of his friends were talking about the Morrison letter. The young man agreed that all that Morrison said about life in the Soviet Union was true. He singled out the employment controls in the Soviet Union as an example. The young man spoke as if he took it for granted that life abroad was different, more desirable than in the Soviet Union.

State Loan Drives

56. Yearly state loan drives in Plant No 1 were carried out by a committee presumably constituted specifically for that purpose. The burden of the work, however, was assigned to section chiefs who received "contributions" from workers in their respective shops, laboratories and offices. Every worker and employee was called upon to contribute at least one month's salary to the state loan. The Soviet workers were told that the plant had been given a quota to fulfill equivalent to one month's payroll. If this sum were not obtained by individual contributions, other means would have to be used.
57. A worker who failed to volunteer the required contribution was called into his section chief's office. Continued delinquency was followed by an invitation to appear before the state loan committee. The section chiefs and the loan committee applied considerable pressure, if necessary, for the purpose of obtaining the required sums. Collecting officers implied that demotion or other undesirable developments would follow if the delinquent failed to fulfill his quota. [ ] a German engineer who was called into his section chief's office after refusing to contribute to the loan. The German continued his opposition until the section chief read off several passages critical to the regime from letters which the German had sent home. The engineer was so surprised, as well as frightened, that he made his contribution in full.
58. [ ] knew of no Soviet who refused to contribute the required amount to a state loan, although there was considerable

SECRET

SECRET

-14-

25X1 resistance to these compulsory loans on the part of Soviet workers. Many war widows who were in bad economic straits were particularly vocal in their opposition. [ ] one such woman who was weeping as she came out of the section chief's office and made a remark to the effect, "Well, they got the money after all."

59. Several Germans [ ] flatly refused to contribute to state loan campaigns despite implied threats. We were not punished for our recalcitrance. Those Germans who contributed to the state loans were repaid the amount of their contributions on being repatriated to Germany.

#### Foreign Broadcasts

60. [ ] perhaps 100 radios were owned by the approximately 2,000 Soviet families residing in Podberezhz. This figure was probably not typical for a Soviet workers' settlement, as a considerable number of these radios had been sold by German technicians to the Soviet families. Approximately 30 per cent of the Soviet households also received Soviet broadcasts through loudspeaker-network outlets.

61. There were far fewer radios in the rural areas. For example, in Töplyy Stan, a village of about 100 households, the kolkhoz director owned the only radio in the locality. All other households were equipped with loudspeaker-network outlets.

62. [ ] difficult to evaluate the listening habits of Soviet radio owners in regard to Russian language broadcasts beamed from the West or their opinion of such broadcasts. People generally avoided talking about such matters, charged with political connotations. There were, however, several indications that interest in broadcasts from the West was not inconsiderable. Whenever Soviets purchased radios from German owners, they asked if the particular radio received New York or London. They were not interested in radios which could not pick up foreign broadcasts. The Soviet engineer mentioned above, who was an acquaintance of mine, asked this question when purchasing my radio just prior to my departure to Germany. Moreover, Soviet workers and employees of Plant No 1 frequently discussed important current events which were not reported in Soviet news channels, an indication that news broadcasts from the West were being listened to.

63. [ ] during a conversation with a Soviet acquaintance concerning jamming of these broadcasts, the latter remarked that he was always able to find a wave band on his own radio where these broadcasts could be heard. The Soviet mentioned 2200 hours as the time when reception was at its best.

25X1 [ ] Comments: Probably should be EF-140 [ ]

25X1

25X1

Attachments: Prices of Various Items Sold in the USSR.

SECRET

SECRET

PRICES OF VARIOUS ITEMS SOLD IN THE USSRGroceries

1.	1 kg Black bread		1.50 Rubles	
2.	1 kg White bread with Raisins, first grade		16.00	"
3.	1 kg Flour, first grade		8.20	"
4.	1 kg Flour, second grade		6.00	"
5.	1 kg Flour, third grade		3.90	"
6.	1 kg Groats		4.50	"
7.	1 kg Semolina		9.80	"
8.	1 kg Rolled oats		11.00	"
9.	1 kg Rice		15.90	"
10.	1 kg Macaroni, first grade		12.80	"
11.	1 kg Macaroni, second grade		8.90	"
12.	250 gm Packaged corn flakes		1.80	"
13.	1 kg Noodles		6.50	"
14.	1 kg Granulated sugar		11.60	"
15.	1 kg Cube sugar		13.80	"
16.	1 kg Sunflower seed oil		30.10	"
17.	1 kg Butter, first grade		39.50	"
18.	1 kg Butter, second grade	34.00 -	36.00	"
19.	1 kg Margarine		19.60	"
20.	1 kg Beef suet		36.00	"
21.	1 kg Fat derived from rape		22.05	"
22.	1 kg Cheese, first grade		45.85	"
23.	1 kg Cheese, second grade		29.00	"
24.	1 kg Cheese, third grade		22.50	"
25.	1 kg Salt		0.98	"
26.	1 kg Coffee		67.75	"
27.	1 kg Coffee, broken beans		38.50	"
28.	1 kg Substitute coffee (Malzkaffee)		12.00	"
29.	1 kg Unpackaged jam		13.30(?)	"
30.	1 kg Canned jam, Polish import		5.90(?)	"
31.	1 kg Pork with bones		25.00	"
32.	1 kg Beef with bones		12.00	"
33.	1 kg Bacon		42.30	"
34.	1 kg Pork sausage		28.00	"
35.	1 kg Beef sausage		14.80	"
36.	1 kg Potatoes		0.69	"
37.	1 kg Cabbage (white) at harvest time		0.25	"
38.	1 kg Cabbage (white) after harvest		0.75	"
39.	1 kg Carrots		1.20	"
40.	1 kg Beets		0.44	"
41.	1 kg Cucumbers		0.45	"
42.	1 kg Onions		1.50	"
43.	1 kg Apples, good quality		12.10	"
44.	1 kg Salted herring		23.00	"
45.	1 kg Sour cream		18.20	"
46.	25 gr Tea, cheapest grade		3.10	"
47.	1 kg Cookies, first grade		21.80	"
48.	1 kg Cookies, second grade		18.00	"
49.	1 kg Cookies, third grade		12.20	"
50.	1 kg Bonbons, cheapest grade		13.80	"
51.	One chocolate bar, 100 grams	18.15-	22.90	"
52.	1 kg Chocolate coated candy		49.50	"
53.	1 kg Cocoa, unpackaged		182.00	"
54.	1 kg Packaged cocoa		189.00	"
55.	One glass of mayonnaise (about 100 ccm)		6.00	"

Page 1 of 4

SECRET

SECRET

Luxury Items

1. Vodka, 0.5 liters, 40% alcohol	28.50	Rubles
2. "Moskovskaya" vodka, 0.5 liters, 45%	32.65	"
3. One bottle of champagne	33.00	"
4. One liter of beer, on tap	5.80	"
5. One bottle of "Zhigulevskoye" beer	5.00	"
6. "Dukat" cigarettes (10)	0.72	"
7. "Port" cigars (10)	6.20	"
8. "Aromatik" cigars	4.20	"

Clothing

1. Pair of felt boots (valenki) for six-year-old child	86.00	"
2. Pair of felt boots for 14-year-old youth	105.00	"
3. Pair of adult's grey felt boots	147.00	"
4. Pair of adult's white felt boots	200.00 - 250.00	"
5. Pair of child's "Bata" shoes	45.00 - 65.00	"
6. Pair of man's oxfords, rubber soles (from)	150.00	"
7. Pair of man's oxfords, leather soles (about)	300.00	"
8. Pair of woman's leather high-heel shoes	360.00 - 680.00	"
9. Pair of summer linen shoes (about)	45.00	"
10. Quilted cotton suit	150.00	"
11. Pair of trousers for 14-year-old boy	114.00	"
12. Pair of man's trousers (from)	150.00 - 750.00	"
13. Man's tailor-made woolen suit (about)	2000.00	"
14. Man's tailor-made winter overcoat (about)	1500.00	"
15. Child's winter overcoat (about)	300.00	"
16. Five-year-old child's fur coat, second-grade rabbit fur	175.00	"
17. Eight-year-old child's fur coat, second-grade rabbit fur	330.00	"
18. Man's hat	80.00	"
19. One pair of man's cotton socks	6.00	"
20. Pair of man's silk-cotton socks	14.00 - 18.00	"
21. Pair of woman's "Mako" cotton stockings	29.00	"
22. Pair of woman's nylon-type stockings	45.00 - 70.00	"
23. Pair of woman's nylon-type stockings most expensive quality	130.00	"
24. Pair of child's cotton socks (from)	3.00	"
25. Child's fur cap	55.00 - 80.00	"
26. Pair of child's rubber overshoes	30.00	"
27. Pair of man's rubber overshoes	37.00 - 47.00	"
28. One meter of summer dress material (printed on one side)	12.00 - 15.00	"
29. One meter of flannel material, 1.30 meters wide	12.00 - 15.00	"
30. One meter of crepe de chine material	150.00 - 200.00	"
31. One meter of silk material	100.00 - 150.00	"
32. Linen handkerchief with colored border	12.70	"
33. Linen bed sheet (from)	87.00	"
34. Linen pillow case	23.50	"

Page 2 of 4

SECRET



SECRET

6. One liter of fuel oil

0.78

Rubles

Prices of Goods Sold in Free Market

1. 1 kg Honey	25.00 - 30.00	"
2. 1 kg Onions	6.00 - 8.00	"
3. 1 kg Pork	25.00 - 30.00	"
4. 1 kg Beef	12.00 - 16.00	"
5. 1 kg Mutton	15.00 - 18.00	"
6. 1 kg Fish	6.00 - 8.00	"
7. 1 kg Flour, corresponding to second grade	12.00	"
8. Pail of potatoes, about six to seven kilograms	8.00	"
9. One liter of milk	5.00	"
10. One egg	2.50	"
11. One goose, about three to four kilograms (about)	40.00	"
12. Glass of mayonnaise, about 100 ccm	9.00	"
13. Glass of sun flower seeds, about 125 ccm	1.50 - 2.00	"
14. Pair of adult's felt boots (valenki)	200.00 - 300.00	"
15. School notebook	3.00	"

Page 4 of 4

SECRET

SECRET

Toilet Articles and Incidentals

1. Cake of toilet soap, first grade	4.95	Rubles
2. Cake of toilet soap, second grade	4.90	"
3. Cake of laundry soap (250 gr), third grade	2.55	"
4. Cake of shaving soap	4.80	"
5. 100 grams of cotton	1.50	"
6. Tube of toothpaste (about)	3.00	"
7. Pair of brown shoestrings	0.69	"
8. Pair of black shoestrings	0.96	"
9. One meter of rubber band, 6 mm wide	0.45	"
10. One meter of silk ribbon	11.50	"
11. Roll of cotton thread, 200 meters long 1.05	2.50	"

Furniture and Household Goods

1. Simple wardrobe, about 1.30 meters wide	680.00	"
2. Simple desk	750.00	"
3. Iron bedstead	215.00	"
4. Sewing machine (about)	1200.00	"
5. Pottery dish, defective product	8.00	"
6. Pottery cup, defective product	8.00- 12.00	"
7. Axe	12.00	"
8. Electric light bulb, 25 watts	1.80	"
9. Electric light bulb, 40 watt	3.80	"
10. Electric light bulb, 75 watt	4.90	"
11. Electric light bulb, 100 watts	6.90	"
12. One kilogram of wax candles	18.00	"
13. Box of matches	0.12	"

School and Sports Equipment

1. School notebook, received from school	0.25	"
2. Lead pencil	0.40	"
3. Copying pencil	0.80	"
4. Ball-point pen	22.80	"
5. Fountain pen, cheapest grade	32.00	"
6. Package of six colored pencils	2.00- 5.00	"
7. Pair of child's ice skates, second grade	23.25	"
8. Pair of adult's ice skates	46.50	"
9. Pair of skis with harness	75.00	"
10. "M6" bicycle, third grade	780.00	"
11. Small, one-cylinder motorcycle	2555.00	"
12. Two-cylinder motorcycle	5590.00	"
13. "Lyubitel" camera, 6 cm by 9 cm, 1:4.5 aperture	135.00	"
14. "Thage-Exakta" camera	2000.00- 3000.00	"
15. Imitation "Leica" camera	2000.00- 3000.00	"
16. Roll of camera film, 6 cm by 9 cm	6.00	"
17. Mechanical drawing set for school	70.00	"
18. Medium-size suitcase, simply constructed	89.00	"

Miscellaneous

1. One meter of stair carpeting material	55.00- 85.00	"
2. One kilogram of varnish	18.00	"
3. One kilogram of nails (about)	12.00	"
4. Package of 20 Christmas candles	4.75	"
5. Spiral-type electric hot plate, simply constructed (from)	15.00	"

Page 3 of 4

SECRET